Otovo

A leading European residential solar company

Q3 21 presentation, 28 October 2021

Agenda

1. Quarterly highlights
2. Business update
3. Financial results
4. Outlook

Today’s presenters

Andreas Thorsheim

Founder and CEO

Lars Ekeland

Acting CFO and General Counsel

Fabio Stefanini

General Manager, Italy

Otovo installation in Oslo region, Norway

The time for solar is now

OTOVO


Otovo installation in Gothenburg, Sweden

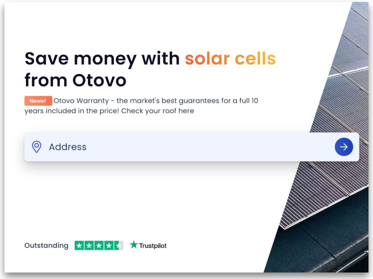
The solar & battery marketplace

On the mission to put solar panels and batteries in every home in Europe, by creating the easiest & most affordable way to go solar

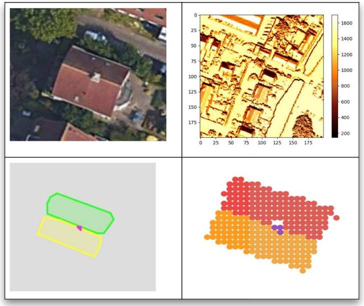
OTOVO

Otovo | The easiest way for homeowners to go solar

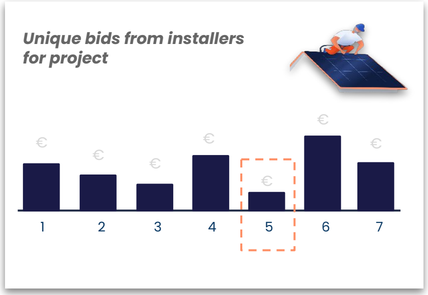
Search for your address...



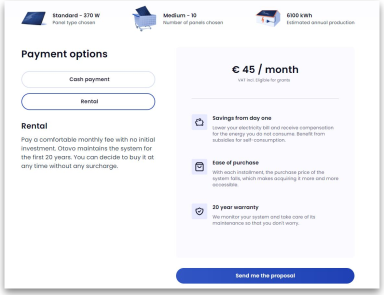
... we ***automatically design*** *the perfect system ...*



... match the lowest bidding *offer from local installers via an instant, automatic auction ...*

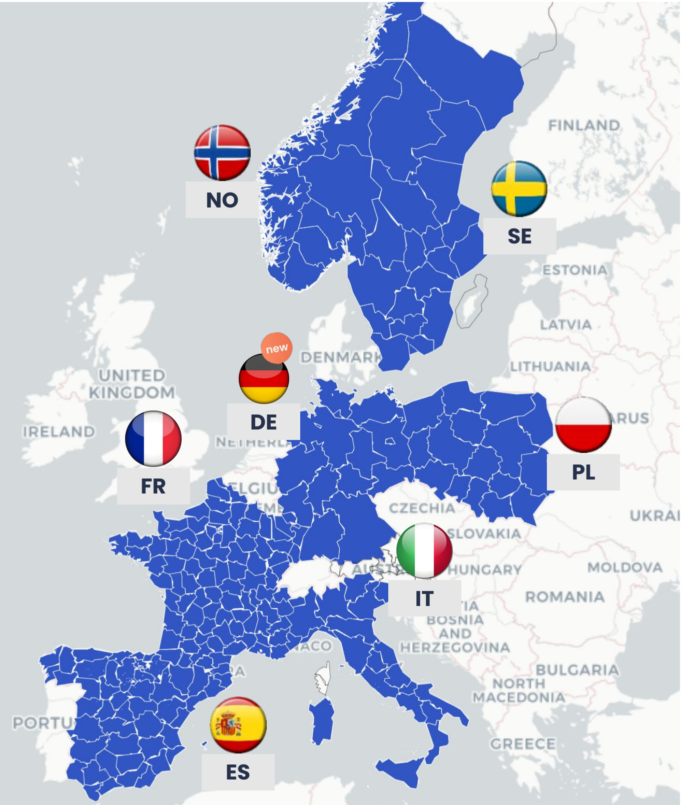


... choose ***how you want to pay*** *(loan, lease or direct purchase) and* ***order online***

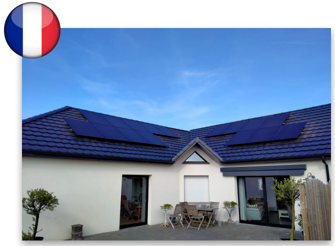


Otovo | Building the leading European solar company

Otovo present in 7 countries – covering >310m people...



...and installing panels every day across Europe



Otovo | Higher power prices fuel rooftop solar demand

Power prices have been surging in Q3…

2-9x

Power prices, Q3 '20 – Q3 '21
(NO, SE, IT, DE, ES, FR, PL)

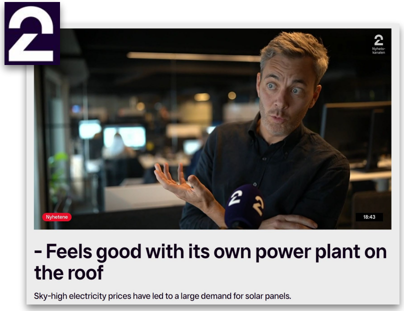
Cingolani: "The electricity bill towards a 40% increase in October"

by Luca Pagni

BUSINESS INSIDER | E-MOBILITY | COMPANIES | FINANCES | YOUR MONEY | STOCK MARKET

Rising electricity prices for cities. In the case of Warsaw, this is an increase of approx. 65%.

…resulting in strong media attention for Otovo



Source: NordPool, GME, TGE, E24, TU, TV2, #iElektro, Finansavisen, NTB, Le Monde, Business Insider, EuroWeekly, la Repubblica, Tagesschau

Otovo | Our customers see low bills during summer

Happy customers...

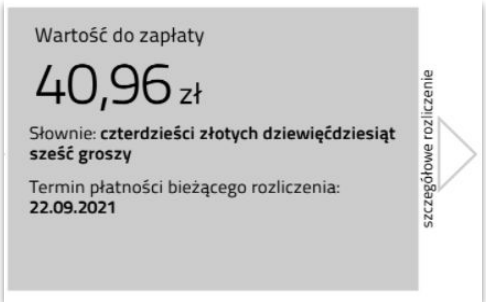
Enestående ★★★★★ Trustpilot

...with lower electricity bills

Gdańsk, Poland


Wartość do zapłaty
426,88 zł
Słownie: **czterysta dwadzieścia sześć złotych osiemdziesiąt osiem groszy**
Termin płatności bieżącego rozliczenia:
13.04.2021
szczegółowe rozliczenie

Electricity bill <u>before</u> solar


Wartość do zapłaty
40,96 zł
Słownie: **czterdzieści złotych dziewięćdziesiąt sześć groszy**
Termin płatności bieżącego rozliczenia:
22.09.2021
szczegółowe rozliczenie

Electricity bill <u>after</u> solar

Source: Otovo analysis

Q3 2021 | Breaking records and exceeding targets

1 Breaking records, stepping up a level

- **Record sales speed:** 750 sold projects in September - equivalent to 9,000 sales per year pace
- **Record installations speed**: 1086 installations in the quarter

2 Exceeding targets

- **Revenue up** 192% YoY to NOK 88m
- **Sold project value up** 325% YoY to NOK 134m (1 470 units)
- **Pipeline value up** 270% YoY to NOK 152m
- **Gross profit up** 149% YoY to NOK 15m (17.5% gross margin)

3 Growth fueled by batteries and countries

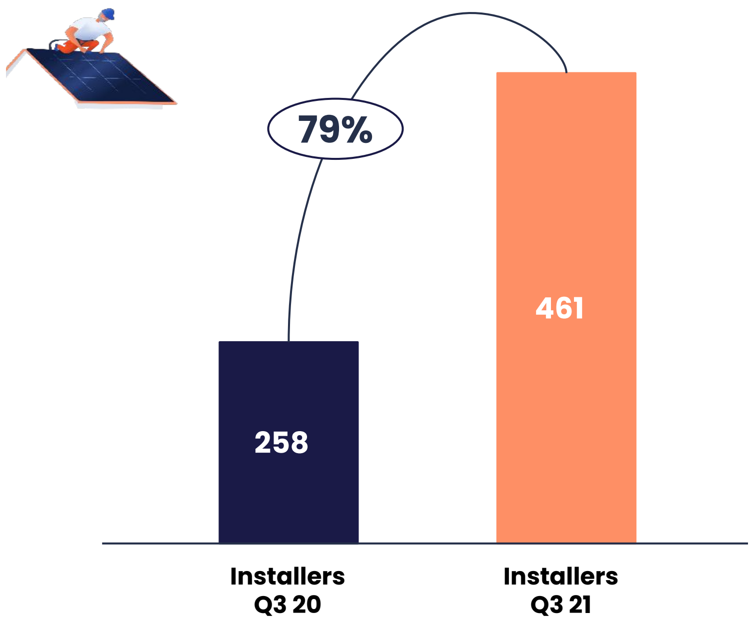
- **Batteries** at 48% attachment rate of sales in Italy in Q3
- **First battery sale in Spain**, roll-out in most markets in '22
- **Holu, the investment in Brazil, showing promising growth**

Agenda

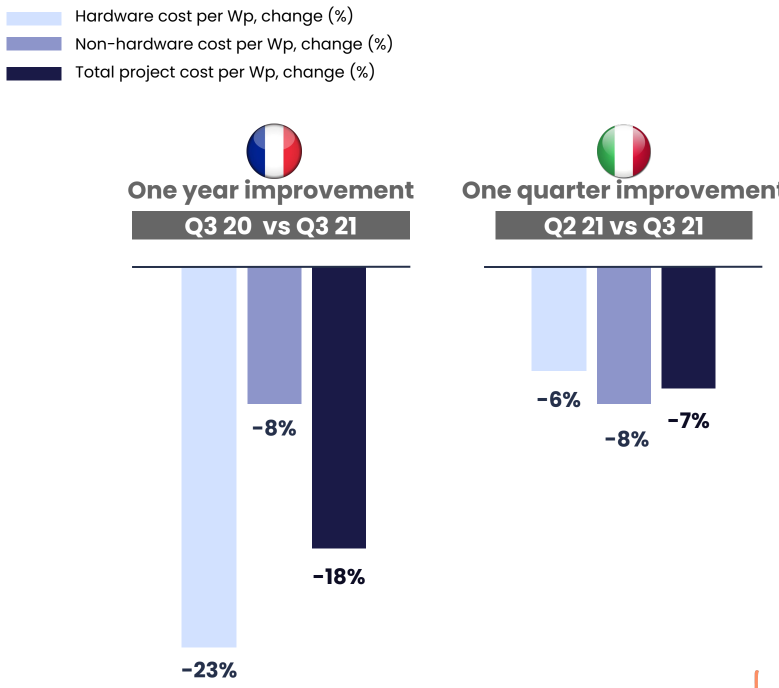
1. Quarterly highlights
2. **Business update**
3. Financial results
4. Outlook

Platform | New installers on platform drive down cost

203 new installers to the platform, 461 out of Q3...



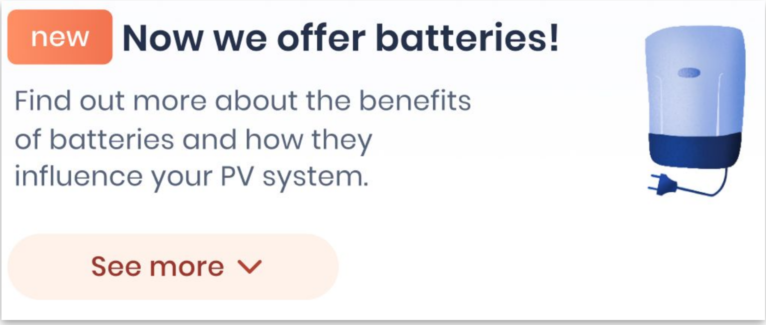
...competition keep driving down cost for homeowners



Source: Based on projects sold in France and Italy, weighted based on project value, excluding Otovo margin

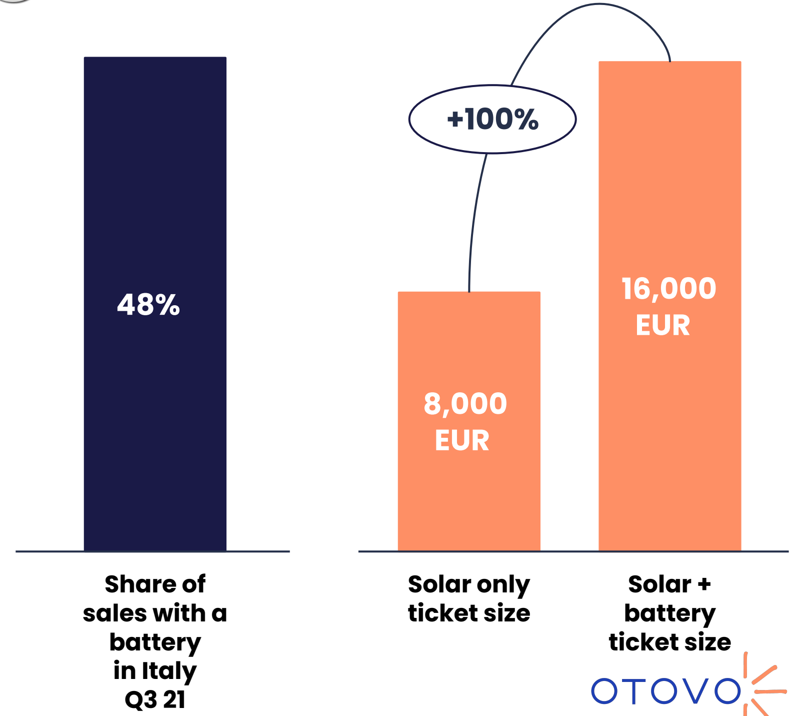
Product | Batteries growing in Italy, launched in Spain

Selling batteries in Italy and Spain



Share of batteries and ticket size

Italy, Q3 21



Product | Strong value proposition and known brands

Batteries with strong value proposition

Reduce your energy bill by up to 90% - increase your total savings
(+50% governmental subsidy support in Italy)

Consume more of the electricity you produce

Emergency power - Insurance against power-outages

Selling well-known brands

Italy, Q3 21

HUAWEI

LG

BYD

Markets | Sales up 2.5x from 2020 in Europe, Brazil growing

Key highlights from Otovo's markets

Group
- **Sales up ~150% in number of units** (from 584 to 1 470)
- Significant increases in all markets, with strongest sales growth in Italy

Scandinavia
- **Strong sales growth in Norway,** with ~3x YoY
- **Swedish market continues to grow in Q3 '21,** with sales up >1.25x YoY

Spain
- **Revenue growth** of ~2x YoY
- Spain launched **€200m subsidy program** PV & battery, resulting in ~50% discount to customers, which will drive market growth going forward

France
- **Sales growth** of ~15% YoY, revenues up 8x due to transition to marketplace model

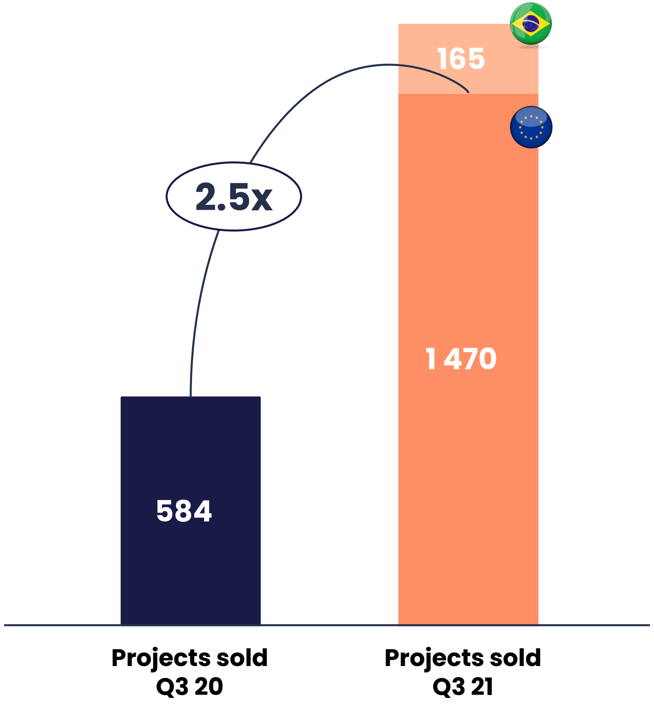
Poland
- **Strong sales trend continue,** with 80% QoQ growth
- **Much shorter installation time** means Poland will impact P&L faster

Italy
- **Italy is our fastest growing launch to date,** with sales up 130% QoQ
- Commands a high ticket size, due to higher prices and battery attachments

Germany
- Recruiting and scaling of installer network on track
- Expected sales launch in Q4

Brazil
- Strong growth with 165 sales in quarter, >200% QoQ growth
- Scaling of team and installer network is progressing well

...delivering a strong sales quarter



Brazil | Represents a huge opportunity for Otovo

Otovo's associated company with full Brazil coverage...

...a market with huge potential

Market

>200,000 yearly installations

72m households
(*~2x Germany*)

>€1bn
Annual PV market size, 2021

Growth

Surging electricity prices and strong solar conditions

50%
2019-2020 YoY market size growth

Big prize

"A new Germany"

1.3x
# of new installations in Germany 2021

Brazil | Holu is showing strong growth

Holu in brief

- Holu is a partnership between **Otovo and Gera, established in 2020,** to pilot the Otovo Platform-as-a-Service
- **Otovo owns 34%,** in addition to collecting a fee on every sale
- Gera runs on Otovo tech platform, but operations are performed separately

Holu – key stats

165
New customers
Q3 21

>200%
Customer growth,
QoQ Q3 21

Key personnel and partner

Rodrigo Freire
General Manager

Former GM Uber Eats, Brazil
Brazilian Private Equity group

Svein Harald Øygard
Member of the board

Senior Partner, Head of Global Oil, Gas & Power at McKinsey
Chairman at Norwegian

12% ownership

Groupo Gera
Joint Venture partner

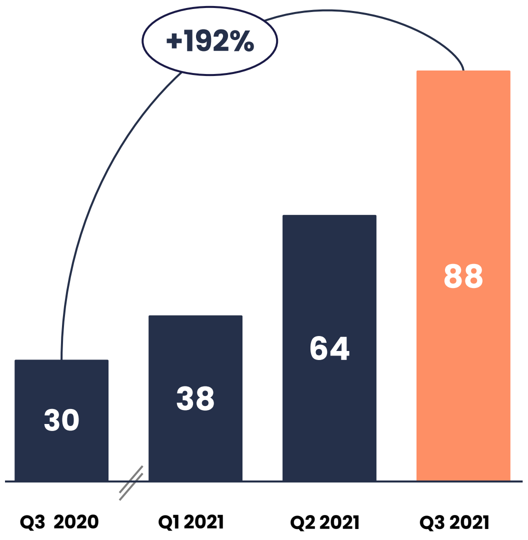
Developer of C&I distributed energy
Co-owned by Raizen, a Shell and Cosan company

Agenda

1. Quarterly highlights
2. Business update
3. **Financial results**
4. Outlook

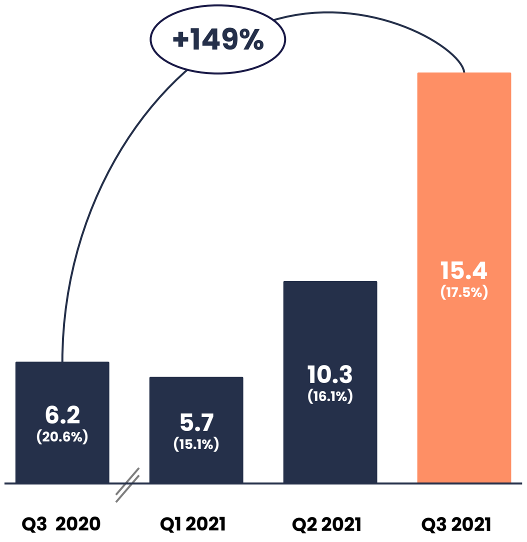
Key financials | Strong growth, with increasing margins

Revenue (mNOK)



✔ Actuals above Q3 guidance (75-80m)

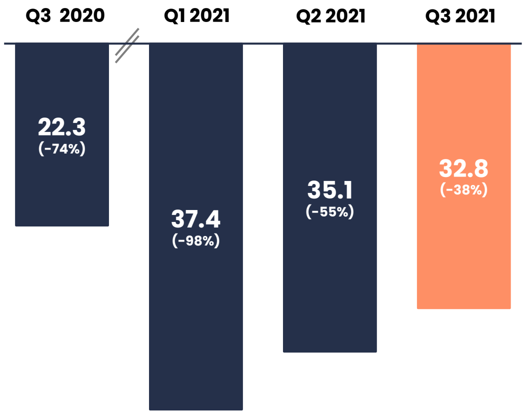
Gross profit (mNOK)



✔ Group margin increasing QoQ, amid dilution from new markets

✔ On track of year-end target (18% at end of 2021)

EBITDA (mNOK) (loss)

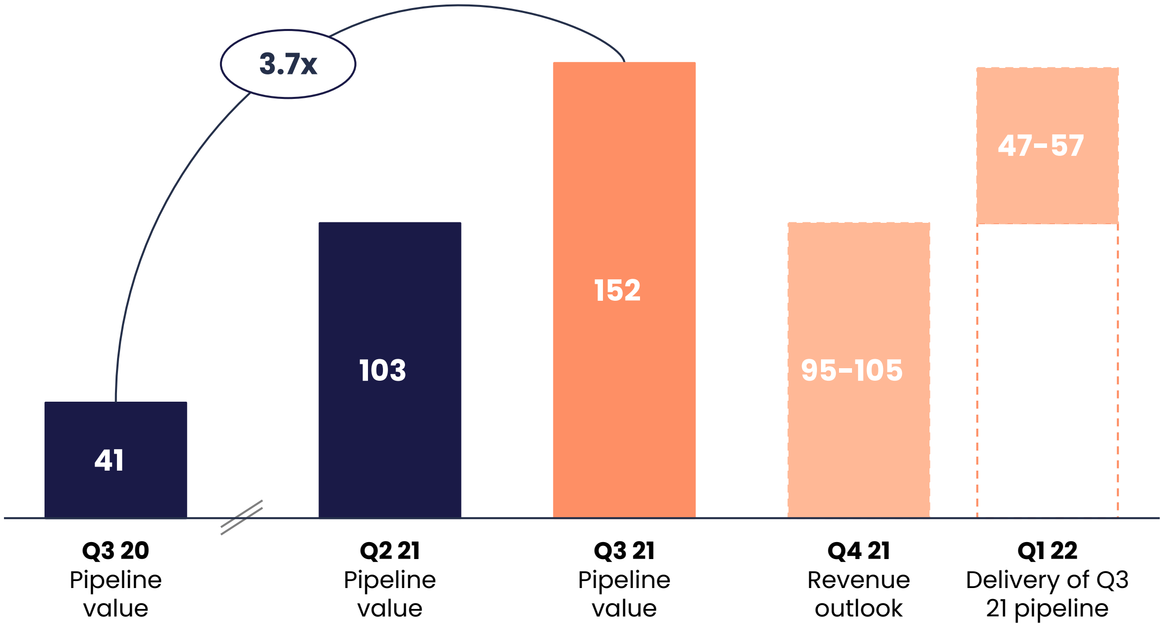


✔ EBITDA improves QoQ, amid investments in growth and new markets

✔ Strong NOK 207m cash position at end of Q3 21

Pipeline | Up 3.7x YoY to NOK 152m, all markets growing

Pipeline value at end of quarter (mNOK)



Commentary

Group pipeline up by 270% vs Q3 20 and 48% from last quarter

NOK 95-105m of pipeline expected to be delivered in Q4

Delayed pipeline delivery due to:

- Global supply chain challenges leading to HW shortages and bottlenecks in Europe
- Winter seasonality reducing installation throughput in Nov-Mar
- Subsidy uncertainty in Poland reducing visibility in Q4

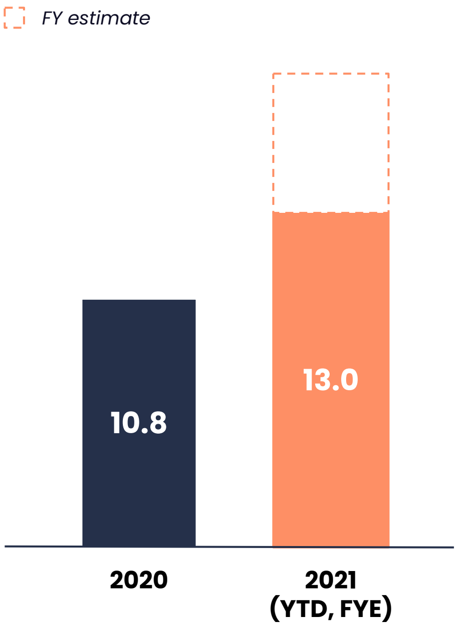
Profitability insulated and protected by:

- Utilizing cross-border partnerships and supply chains
- Platform capacity, using the best available installer
- Platform pricing, passing cost hikes on to consumers
- None to low margin risk between sale and delivery time

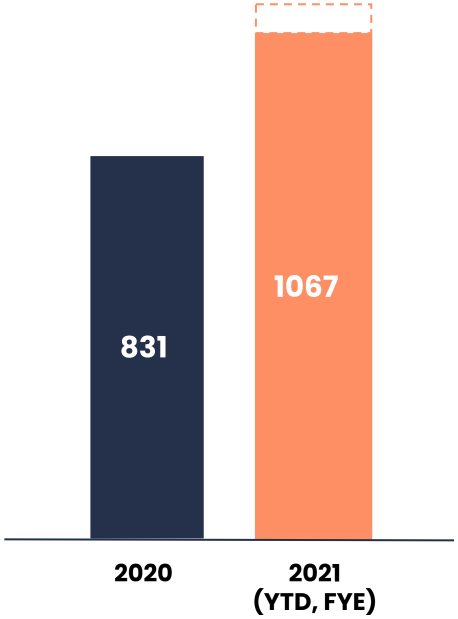
Note: A project is included in the pipeline when the contract with customer has been signed and is excluded from the pipeline when the installation is completed or the project has been abandoned

ESG | More and higher yielding installations lead to improved CO_2 removal

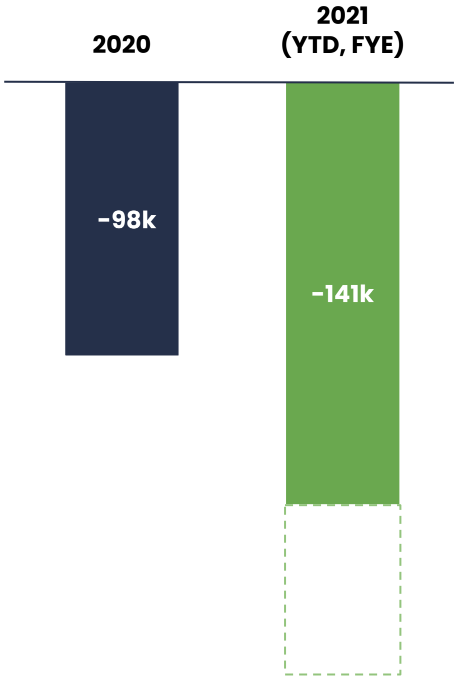
MWp installed



Energy yield per installation (kWh/kWp)



Net CO_2 emissions effect (tonnes)



YTD = Year to date, FYE = Full year estimate
Assumptions:
Average lifetime of solar installation 30 years, with degradation
401 g C02 / kWh carbon replacement factor, European Residual mix (Source: AIB 2020)

Agenda

1 Quarterly highlights

2 Business update

3 Financial results

4 **Outlook**

Outlook | More records to break

Otovo installation in Vestfold region, Norway

Pipeline and sales on track to reach FY revenue guidance (EUR 29m)

Expected gross margin on sales at above 18%, and increasing, as exit speed from 2021

Otovo has confidence in its ability to take European market shares

- Growing in all existing markets
- Entering new markets successfully
- Launching in Germany in Q4 21

Contact

Andreas Thorsheim
CEO
+47 93 06 51 78
at@otovo.com

Lars Ekeland
CFO
+47 91 60 70 53
larsek@otovo.com

Anders Rønold
Investor relations
+47 97 34 37 47
andersro@otovo.com